



Faidi

THE
DECLINE OF TURKEY,
FINANCIALLY AND POLITICALLY.

BY

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WITH PORTRAIT OF THE LATE FUAD PASHA.

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THE DECLINE OF TURKEY.

CHAPTER I.

Decline of English and increase of Russian influence in Turkey—Sacrifices of England and ingratitude of the Sublime Porte—The Mephistopheles of the East—Fuad and A'ali, the Patriots and Statesmen of Turkey—Degeneracy of their successors—Disgrace and exile of Ministers on the doath of A'ali—Draconian rule of Mahmoud Pasha—Dismissal of the English Engineers—Opinion of Sir Philip Francis—Efforts to alter the succession to the throne—Religious freedom suppressed—Christian schools closed, and Protestant converts dragged in chains to the dungeons of Stamboul—Famine in Asia Minor—The Sultan's Civil List—The Harem—Expenditure of the Palace—Ministerial salaries—Wealth of Turkish Ministers and poverty of the people—How Turkish Loans are raised—How the money is spent—Corruption of the Porte—Insecurity of Turkish Bondholders.

THERE are few real friends of Turkey who do not deplore the system of non-interference which, for some years past, has been the policy of the English Government; for, however that policy may have answered in reference to our position with the Continental Powers, it has undoubtedly lowered our prestige in Turkey, and weakened our influence with the Sublime Porte. If the same abstention were observed by Russia, Austria, and France, there would have been some reason for our inaction; but as, on

the contrary, the representatives of these Powers in Constantinople have been unceasing in their endeavours to cajole or coerce the Sultan, the inevitable result has followed. Turkey, left to herself, has fallen into the hands of her enemies. The position of power and influence which Lord Stratford de Redcliffe so ably filled and so judiciously used for the benefit of the empire, has passed into the hands of General Ignatieff, and that Mephistopheles of the East is, under the mask of friendship, leading the Osmanli to their ruin.

All the world knows the sacrifices that England has made for Turkey. Our ships have defended her capital; our soldiers shed their blood to protect her from her northern foe; and, since the Crimean War, we have given Turkey one hundred and sixty-two millions of money. As long as Fuad and A'ali lived, Turkey was grateful, and English influence was, as it ought to be, paramount at the Porte. With the accession, however, of Mahmoud Pasha to the Grand Vizierat, on the death of A'ali, in September 1871, a new state of things came into existence. The Treaty of Paris, which cost England so much blood and treasure, had been previously torn up and thrown contemptuously in our face; and Servia, Roumania, and Montenegro have since been secretly supported in their persistent determination to throw off the Suzerainty of the Porte. The Sultan has been encouraged in his desire to alter the succession to the Throne in favour of his son, with the full

knowledge that such an illegal and despotic act would lead to civil war, and the probable dismemberment of the empire.* The Firman of 1856 has been ignored, and religious freedom suppressed. Christian schools have been closed. Converts to Protestantism have been dragged in chains to the loathsome dungeons of Stamboul, and the war, which we undertook to free Turkey from the northern Colossus, has only resulted, after the lapse of twenty years, in bringing Russia nearer than ever to the Bosphorus.

The 6th article of the *Hatt-y-Humayoun*, 1856, declares :—"Vu que tous les cultes sont et seront

* According to Mussulman law, the eldest male member of the House of Othman ascends the throne upon the death of a Sultan. This law possesses the advantage of preventing the possibility of a regency during the minority of a boy. Its strict observance, however, has been frequently evaded, and in a manner peculiar to the Turks, as the new Sultan generally caused all his male relatives to be put to death. Even the male child of a female member of the family was not allowed to live. Mahmoud II., father of the present Sultan, murdered his brothers immediately on his accession, and, according to precedent. Abdul Aziz ought to have been strangled thirty-five years ago. Abdul Medjid, however, not only spared his brother, but treated him with the greatest kindness. When I was in Constantinople in 1860, Aziz Effendi had a steam-yacht, a farm in Asia, horses and carriages, &c., all allowed him by his brother. His Majesty now shows his gratitude by keeping his nephew, Prince Murad, a prisoner, and by endeavouring to alter the succession in favour of his own son, a boy of sixteen. The numerous ministerial changes made by the Sultan, during the past three years, have all been in furtherance of this object, which is eagerly supported by General Ignatieff, and that is the main cause of this able diplomatist's influence at the palace.

librement pratiqués dans mes États, aucun sujet de mon empire ne sera gêné dans l'exercice de la religion qu'il professe, et ne sera d'aucune manière inquiété à cet égard. Personne ne pourra être contraint à changer de religion." Yet we read in the *Levant Herald* of November 18th, 1874:—"On the 13th of last month, a company of Turkish soldiers left Lattakia for Kerdaher with the intention of arresting certain individuals employed as teachers by the missionaries. As soon as they arrived at Kerdaher, the soldiers surrounded the houses of the native Protestants, and maltreated these latter and spoilt their corn and other provisions. They entered the same night by climbing over the walls, and arrested the four schoolmasters, who were immediately bound and chained. A young boy, who was found in the house, was also arrested, and having been questioned by the officer in charge of the troops, replied that he wished to remain a Protestant, whereupon he also was bound with chains. Some days after their arrest, the five prisoners—the four teachers and the boy—were taken to Lattakia and confined in the prisons of that town, whence it was understood they were to be taken away by the French mail steamer."

While Fuad and A'ali ruled at the Porte, the diplomatic arts of Russia were powerless; for Fuad and A'ali were not only true statesmen, they were also patriots and men of honour. In all the difficulties they had to encounter, no man could ever

charge either of them with a breach of faith, or a forgetfulness of their country's interest. Wherever they were known and understood, they commanded esteem and respect. Their political judgment and their great abilities were universally recognised, and their honesty was above suspicion. In giving their word they gave their bond. The men who succeeded them were, however, cast in a different mould, and, devoid alike of patriotism or honour, they thought only of enriching themselves at the expense of their already impoverished country. No sooner was Mahmoud Pasha raised to the high position of Grand Vizier, than he set about degrading every Minister who had served his predecessor. Some he exiled; all he dismissed, not sparing even the son of A'ali Pasha, his own benefactor, who was ignominiously expelled from his office in the *Hardjîé*.

Amongst the outward signs of the decline of English influence, was the dismissal of nearly every Englishman from the Turkish service, while the few who were permitted to retain their offices, received, with one or two exceptions, an intimation that their salaries were abruptly stopped. In the first category, was an English gentleman who had, for many years, rendered great services to Turkey by superintending the extension of telegraphic communication throughout the empire; while the English engineers of the "Azizieh Steamship Company," who, with their families, had become domiciled at Constantinople,

suddenly found themselves in a foreign land, without even the means of subsistence. Some of these men appealed to the British Consular Judge at Constantinople, and stated they had been seventeen years in the service, that three months' pay was due to them, and they had been obliged to borrow money to send their wives and children home to England. One man declared he had been in the Turkish service for thirty-seven years, and had been discharged without his wages or a pension. Sir Philip Francis, in his judicial capacity, expostulated with the Turkish Government in vain, but he has left on record his opinion of such a dishonourable transaction. "The whole affair of dealing with these debts," said the English Judge (January 15, 1874) "seems to me to be discreditable. I can use no milder phrase, for there is no consideration shown for the honest payment of debts. These are not the only debts, for there is a large debt of about 2,000*l.*, due to an English merchant here for coals. This debt has been continually applied for. He is, to a certain extent, in the same position as yourselves. He has parted with his property, and cannot get paid. I am exceedingly sorry you have been put to this inconvenience, and that the Government has put itself in such an attitude in respect to English engineers, to whom they owe so much in regard to their Marine. A skilled engineer and a mechanic who has a certain position is not to be treated as a dog; in truth, we

treat dogs better than that. We give them their food, and look out for another place for them when we cannot keep them any longer. It is, however, impossible that we can leave British interests to be so cruelly abused as in these instances." The protests of the English Judge were, nevertheless, of no avail, until, at length, he threatened to sequester one of the Government ships in the Golden Horn. Then, and then only, did these men obtain redress, some of whom stated they had been in the Turkish service during and since the Crimean War.

The records of the Foreign Office were searched, and it was found that two Englishmen in the foreign employment of the Porte were in receipt of pensions, granted to them for services rendered to the Empire. They both shared the same fate, their pensions being abruptly suppressed, without either notice or compensation, and with a month's pay actually due. Frequent official promises of payment have since then been made, but these promises have not been fulfilled.

These are only a few examples of the breaches of faith and acts of personal injustice which have been perpetrated since the death of A'ali Pasha. The facts are well known at Constantinople, and it is now time they should also be known in England. Arrangements of any kind, entered into with men who have neither honour nor gratitude, are utterly worthless, and it may be logically inferred that the same Government would not hesitate to commit

other and more serious breaches of faith if circumstances permitted them to do so with similar impunity. The *Levant Herald*, alluding to this subject in a recent article (October 21, 1874), said, "The course which the Turkish funds will take will depend upon the line of conduct followed by the Government. Grievances, the outcome of inexactitude and unfaithfulness in observing engagements, are numerous, and exceedingly varied in character. We forbear from specifying any one particular grievance (although our portfolio is full of them), because our object here is not to serve particular interests, but to counsel the Turkish Government to follow such a line of policy as may best conduce to its own credit. It is required, in order that Turkey may enjoy the full measure of credit which she might command, that there be absolute *certainty* in all dealings with the Government, that there will be implicit observance of all engagements; and that there be *continuity* in that observance. If one ministry enters into a contract, or engagement of whatever kind, makes an appointment, or an official promise, and the next ministry refuses to recognise the work of its predecessors, there is an end of all national credit. We need not enter further into detail; most of the cases to which we refer are, to use the French term, *criards*. To silence them one and all by equitable arrangement, tempered with the liberality which becomes a great Power, should be the

immediate care of the Government." This is not the first time the *Levant Herald* has given similar advice, which, unfortunately, has remained without result.

It is said by those who have had opportunities of forming a just opinion, that dislike of England and the English is at the bottom of these disreputable acts which I have mentioned, and it is undoubted that "Turkey is ungrateful to her best friend."* I have alluded to the scandalous conduct of Mahmoud Pasha on his accession to the Grand Vizierat. Essad Pasha, who was his Minister of War, has been recently appointed Governor-General of Syria, and almost his first acts were to stop the building of a new Protestant school at Jaffa, to suppress the Protestant schools already existing in his Pashalic, and, as if the more to proclaim his contempt for Englishmen, to order a building in course of erection at Beyrout, for the English Water Works Company, to be utterly demolished. The representatives of that Company on the spot, protested against this arbitrary act, but, on the 11th of October, 1874, peremptory orders came from Damascus for the instant removal of the building, which has since been razed to the ground. Such is the expression of Turkish feeling towards England and Englishmen.

I have said that Fuad and A'ali were honest men.

* A short time since (December 7th, 1874), Dr. Dickson, Physician to the English Embassy at Constantinople, was grossly insulted by the Turkish police in the Grand' Rue de Pera.

The proof is that they died poor. When Fuad died, he was buried at the expense of the State, and the Sultan was obliged to grant a pension to his widow. I know no other Turkish statesman of whom the same can be asserted. Mehemet Rushdi Pasha, ex-Grand Vizier, who died the other day in the Hedjaz, left behind him an immense fortune. Davoud Pasha, after *three years' tenure of office* as Minister of Public Works, retired to a palace on the Lake of Como, and died last year leaving to his family upwards of half a million sterling. Riza Pasha, ex-Minister of War, is believed to be worth three millions, although he commenced life in the shop of a Bacal.* The mere fact of his birth, however, is of little moment, for there is no hereditary nobility in Turkey, and, according to the Koran, all men are equal. The Khalif Omar was a brickmaker; Ali, the son-in-law of the Prophet, was a Hamal;† the celebrated Capitan-Pasha, Barbarossa, was originally a caiquedjie;‡ Ali Pasha, Grand Vizier, who expelled the Venetians from the Peloponnesus, was the son of a charcoal-burner; while the great Fuad himself bore the family name of *Ketchédjie Zade*, or the son of the carpet-maker. In fact, if you were to say to a Hamal or Caiquedjie: “ May God make thee Grand Vizier !” he would not at all consider the remark as a joke, but probably reply “ Allah Kerim ! 'tis very possible.”

* Bacal, a Grocer.

† Hamal, a Porter.

‡ Caiquedjie, a Boatman.

No matter what their origin, however, the first thought of modern Turkish statesmen is to make money. They know their tenure of office is insecure, and they seize their opportunity. It is true, there was always peculation and corruption at the Porté, but these habitual vices were, to some extent, kept in check by Fuad and A'ali. Since the latter's death, however, all control has ceased, and corruption is the rule from the highest to the lowest. Their creed is : "The country is going hopelessly to the dogs ; let us *take care of ourselves.*" When Malmoud Pasha fell from power in August 1872, amidst the execrations of the populace, there was a little sum of 100,000*l.* found to be missing, for which he had given an order under his own hand ; and this money has, I believe, never yet been accounted for. In England, the richest country in the world, the Prime Minister receives 5000*l.* per annum ; in Turkey, the poorest country in Europe, the Grand Vizier draws 30,000*l.* a year, while the Civil List, and the salaries of all the high officials are vastly more than those of the Queen and Ministers of Great Britain. Mr. T. Brassey, the hon. member for Hastings, who is on a cruise in his yacht, the *Sunbeam*, has sent home for publication a series of letters relating to his voyage. Dating from Constantinople, he writes, relative to the Government of Turkey : "The authorized civil list of the Sultan is about 1,200,000*l.*, and by means of various more or less arbitrary grants, it is actually

little short of 2,000,000*l.* a year. All along the shores of the Bosphorus vast palaces and elaborate kiosks occur in succession at a distance of a little more than a mile apart. Some of these buildings are furnished in the most costly style. The daily dinner of the Sultan—he always dines alone—consists of ninety-four dishes; and ten other meals are prepared in case it should be his fancy to partake of them. He has eight hundred horses, seven hundred wives, attended and guarded by three hundred and fifty eunuchs. For this enormous household forty thousand oxen are yearly slaughtered; and the purveyors are required to furnish daily two hundred sheep, one hundred lambs or goats, ten calves, two hundred hens, two hundred pairs of pullets, one hundred pairs of pigeons, and fifty green geese. Between the profligate luxury of the establishment of the Sovereign and the miserable poverty of too many of his subjects, the contrast is truly melancholy. The incomes of the principal Ministers of State are such as would grievously shock the radical reformers of our own country. The salary of the Grand Vizier is 30,000*l.*; of the Minister of Finance, 15,000*l.*; of the Minister of Public Works, 11,000*l.*; and so in proportion for the other principal Ministers."

That, however, is not all. Each ministerial department is supposed to have its own separate budget, but that budget is always exceeded. Every department issues its own mandats or promissory notes,

and these mandats are discounted at heavy interest by the local bankers, who thus realise enormous fortunes. I do not, of course, mean to state that the issue of Treasury bonds is pernicious *per se*. It is the abuse, and not the use, of such obligations to which exception must be taken ; the abuse consisting in converting that which should be a temporary—and, in such sense, a justifiable expedient for the assistance of the Treasury—into a perpetual annuity on the Imperial revenue. It is practically impossible to correctly estimate the income of the state, but it is even still more impossible to estimate its expenditure. Expenditure without limit is, if anything, worse than uncertainty of income, but when the two are combined, the difficulties of the situation are indefinitely increased. To remodel the fiscal system, so as to ensure a sufficiency of revenue, would, however, be a task far beyond the capacities of present Ministers of the Porte, whereas the issue of mandats and Treasury bonds is an operation which commends itself for its simplicity and facility of execution.

This borrowing continues until the money-lenders have no more cash to advance, and then comes the necessity for a new Loan. Promises of financial reform are lavishly made, a prospectus is issued, the local bankers of Constantinople convert their mandats and Treasury bonds into the new stock, and, when a quotation is obtained on the Stock Exchange, the bonds are gradually transferred into the hands of the

unsuspecting English investor. The Government and the local financiers are then in a position to resume the same system of borrowing and lending, with the same inevitable result; the only persons really benefited being the Ministers and Sarraffs. Not a piastre is spent in developing the resources of the country, or in improving the condition of the people.

The whole financial system is, in fact, as far as the State is concerned, a gigantic sham—a sham, in the manipulation of which the Ministers and the local bankers accumulate wealth, and the State accumulates debt; in which the morals of the community are systematically sapped, and the estate of the citizen systematically plundered. If Turkey is doomed to fall, she will owe her destruction to the want of honour and capacity in her rulers, and her decline will date from the death of A'ali Pasha. The root of the evil which is fast bringing Turkey to ruin, is the unchecked extravagance of the Civil List, and the irresponsible expenditure in the Ministerial departments of the State. If more English money is advanced to the Porte, that money will be spent, as in the past, not in developing the resources of the country, by making roads or improving inland navigation, but in building new iron-clads, like the one launched a few days ago on the Thames; in covering the banks of the Bosphorus with more useless palaces; in enriching the Ministers of the Porte, for the time being in office; in such waste as that of sending a special messenger

on a voyage round the world, to bring back costly vases from Japan,* and in contributing to the luxurious splendour of the *Harem* at Dolma-Baghtehé. Last year, when there was a monetary panic in Constantinople, the Sultan gave, or lent, 2,000,000*l.* in Consolidés to the Treasury out of his privy purse. Where did his Majesty get that 2,000,000*l.*? Out of the pockets of Turkish bondholders! Within the last month, the Sultan has given orders for the building of a new mosque, in the village of Beshiktash, at a cost of nearly a million sterling, to be defrayed out of his privy purse. Again: where did his Majesty get this money? The answer is, out of the pockets of the bondholders.

Not a single promise made since the death of A'ali Pasha has been fulfilled. On the 12th of November, 1871, an Imperial decree was published (just before the issue of a new loan for 5,700,000*l.*) on the subject of improved road and river communication in the interior, as subsidiary to railway transport in both the European and Asiatic provinces of the

* Hassan Effendi Hindi, who was sent about five months since to Japan, to buy porcelain vases for the Sultan, has recently returned with six splendid specimens of Japanese art. The vases in question, blue and white, which were purchased at Yokohama, are the largest ever made in Japan, being no less than six feet in height. During his five months' absence in the execution of this commission, Hassan Effendi made the tour of the world, having proceeded by way of Europe, the United States, and San Francisco, to Japan, and returned by way of China, the Indian Ocean, Ceylon, and the Suez Canal to Constantinople.—*Levant Herald.* Sept. 30th, 1874.

Empire. Orders were given that “while all efforts shall be made to complete and extend the existing railways in Roumelia and Anatolia, and construct others where necessary, immediate attention shall also be paid to the improvement of river communication throughout the empire; a sufficient number of suitable steamers shall be procured as soon as possible to establish a transport service on such rivers as shall be found to be navigable, by competent engineers; and, with a view of increasing means of communication in every practicable way, the necessary steps be taken to bring the railways into connection with the rivers used for transport.” The loan of 1871 was subscribed on the faith of these promises, not one of which has been performed, and, at the present moment, there is not a road worthy of the name, (with the exception of the Damascus road made by a French company), nor a canal, nor a navigable river in the Empire. Ten thousand men, women and children have just died in Asia Minor from famine, not because there was no food to save them, but because there were no roads over which breadstuffs could be carried.

‘Twelve years ago, I said,* “It is hardly possible to point to an instance in which the injury caused by defective appliances for the transport of merchandise exceeds that from which Turkey is at present suffering. In its effects the state of the transit has the

* See ‘The Resources of Turkey,’ 1862.

same tendency as the inland and export duties, in narrowing the circle of the country's productive capabilities. Hence, wheat and other commodities, which might, under more favourable circumstances, be brought down to the ports, have, in some places, a mere local value. Instances are numerous where the population have been in a state of comparative famine in one part of the country from scarcity of breadstuffs, while in others, wheat, &c., might be purchased at nearly nominal prices." Again, in 1866, alluding to the very district in which famine is now spreading death and desolation, I also said :—*

"The roads here, as everywhere else in Turkey, are wretched apologies, and such is their condition, that during the whole of the winter season they are almost entirely unavailable. The Samsoun district, which may be described by straight lines drawn from Samsoun to Sivas, thence to Angora, and northward again to Sinope, is celebrated for its fertility; yet there is not a single trunk road in the entire area. The work of this character most immediately required is a good road from Samsoun to Sivas, which latter would then become a collecting centre for the surrounding country. Immense quantities of grain and other produce could be raised in the interior, but without the means of transport, profitable cultivation is out of the question. If it were only possible to complete a road such as that from Samsoun to Sivas;

* See 'Turkey in 1866.'

to clear out such a river as the Sakaria, which waters a country between Angora and the Black Sea, abounding in natural riches of the most varied character ; or to canalise fifty miles of such a river as the Sarabat, which flows into the Gulf of Smyrna—the resulting advantages both to the people and the Government would be so overwhelmingly apparent, that less difficulty might be experienced in the initiation of works of a similar character elsewhere." If the road from Samsoun to Sivas had been made, as I suggested, and the river Sakaria had been rendered navigable, there would now be no famine in Asia Minor; whereas, at the present moment, the population of a district measuring forty thousand square miles is given up to all the horrors of starvation and disease. Effective administration of the internal affairs of an empire, and grossly defective means of communication between its several parts, cannot coexist. Practically, justice cannot be administered in a community where an appeal to the source from which it flows is a physical impossibility ; while without transit facilities for barter the intelligent skill of a people is worthless, and the accumulation of individual wealth impracticable.

The Khédive has just sent two cargoes of wheat to the port of Ismidt, for the relief of the famine-stricken people, but, such is the state of the roads that it is found almost impossible to convey it to Angora. For this wheat alone, it will take six hundred camels, twelve trips at least, to carry the grain from Ismidt

to Angora,—a distance of only two hundred and fifty miles. Each trip will occupy fifteen days to go and return ; so that, *supposing the roads to remain open all the winter*, it will take six months to get the two cargoes of wheat laid down in Angora.* Meanwhile, the Relief Committee at Constantinople is compelled to fall back upon mules, whose owners charge $2\frac{1}{2}$ piastres per oke, or rather more than 15*l.* per ton, for the carriage of their stores. It is said of Nero, that, while Rome was burning, he played upon the fiddle ; while men, women and children are found dead and dying of starvation in the fields around Angora, the Sultan Abdul-Aziz builds a mosque in Constantinople at a cost of a million sterling.

So evenly balanced are the topographical advantages of the Turkish Empire, that there is no one spot so situated as to preclude the transport of its produce to a profitable market, provided there existed good roads, serviceable canals, and renovated seaports. For lack of these, whole provinces teeming with natural wealth are but so many smiling wildernesses ; miasma exhales from untilled savannas ; and the greater proportion of one of the fairest countries in the world ceases to minister to the wants and the pleasures of its inhabitants. So it is that lordly ease on the one hand, and indigent vassalage on the other, continues to be the condition of the people,

* Since the above was written, a heavy fall of snow has covered the vicinity of Angora to a depth of two feet.

while a continually embarrassed Exchequer renders the Government an object of well-merited reproach. "There is no change" says the *Levant Herald*, of the 14th November, 1874, "in the aspect of affairs in the famine districts, save that the deadly grip of unmitigated cold and hunger is gradually tightening upon the remnant that escaped it last year, and that even the most hopeful are in dismay at the slowness with which the relief measures decreed by the Government are being carried into effect. Keen night frosts, indications of an early and severe winter, begin already to pinch the sick and enfeebled, and to give a foretaste of the greater suffering that is at hand. Great difficulty, as we anticipated, is found in obtaining means of carriage from the shore inland, even for the small quantity of breadstuffs which the Government has as yet sent forward. Beasts of burden are scarce, and already the first autumn rains have sunk the roads knee-deep in mud. As the season advances, horses and mules will become more scarce, and the carrying power of each animal will be diminished by the increased difficulties of the road, of which there are two hundred and fifty miles to traverse before the scene of destitution is reached. Nothing that we might say can add to the burning eloquence of facts, and if that eloquence is unheeded, if it fail to create a deep impression, not only upon the Sovereign, but upon every statesman, whether in or out of office, the fact of such failure will tell most

seriously against the political, and, consequently, the financial standing of the country. Credit and good government go together and are inseparable. To a certain extent, credit may be obtained upon undeveloped resources, but this only for a time. For when it is seen that resources continue undeveloped, and capital is absorbed without achieving any result, then, just in proportion as the resources are great, the discredit will become greater, because there will arise the doubt whether the rulers of the country possess sufficient economical sagacity to apply borrowed capital to its right uses."

In 1873, when another loan was placed on the market, financial reforms of an extensive character were promulgated, but they have remained, actually, without any tangible result. Only twelve months ago, the Turkish Ambassador published a statement in the newspapers that "the resources derived from revenues recently created suffice to assure henceforth the regular service of the public debt," and yet another loan of 40,000,000*l.* has become necessary. So it will ever be until the Imperial Ottoman Bank, or a commission adequately representing the creditors of Turkey, shall be legally empowered to control all disbursements on account of the State. A glowing account was recently issued of a new rôle which the bank is to perform in the East. But Turkish bondholders and the public have been deceived, for there is nothing in the convention

between the Porte and the bank which gives the latter any control over expenditure. The revenues will, it is true, be paid into the bank which will act as banker to the Turkish Government, just as any banker in London does for his customers; but it will exercise no more control over the Porte's expenditure, or its power of local borrowing in the future, than it did in the past. The statements put forward on this subject are only on a par with those circulated in 1871, and 1873, and, in fact, on all occasions when further loans are required. The security for payment of interest and sinking funds remains just as it was, and until some such control is exercised, there can be no hope for the regeneration of Turkey, and little real security for Turkish bondholders.

CHAPTER II.

Political position of Turkey—Russia, Austria, Germany, and France—Servia, Roumania, and Montenegro—The Eagles gathering on the Bosphorus—Can the “Integrity of Turkey be maintained?”—Fuad Pasha’s dying advice to the Sultan—Turkey and her relations with the great Powers—Greece and Persia—Extinction of the Turks in Europe—Dismemberment of the Ottoman Empire.

THE financial state of Turkey, as may be seen, is very bad ; but, unfortunately, her political situation is no better. National bankruptcy, under the present system of Government, is inevitable, and, in the political horizon, there are manifest signs of an approaching storm. Supported as Turkey has been, she might to-day have been surrounded by powerful friends, and able to defy her enemies ; but the only bravery she shows is in defying public opinion. The eagle of France has had its wing broken, and cannot now fly as far as the Bosphorus, but the eagles of Russia, Austria and Germany are soaring over the minarets of Stamboul. The recent note simultaneously presented by the three great northern Powers, relative to commercial treaties with Roumania, forebodes a new Holy Alliance, and, as England

can never again fight for the so-called “Integrity of Turkey,” the partition of the Empire is only a question of time. Had Turkish statesmen followed in the footsteps of Fuad and A’ali ; had their counsels been heeded, and their principles of honour observed, the present state of things might have been averted. On the contrary, however, the financial and political policy of the Porte, during the past three years, has, in every way, violated the precedents of Turkish administration since the days of Reschid, undone the labours of fifteen years, from 1856 to 1871, and opened the way for the triumphal entry of the Czar.

I have had opportunities of knowing well the sentiments of Fuad and A’ali. When in Constantinople in 1870, the year before his death, the latter expressed his views very freely to me, and the grandson of Fuad intrusted me with the particulars of that great statesman’s life.* Two ruling ideas guided their policy :—mistrust and fear of Russia ; gratitude and friendship for England. “I

* *Izzet Bey to J. Lewis Farley.*

“J’ai l’honneur de vous envoyer ci-joint une biographie qui reproduit assez exactement, et d’une manière à peu près complète des actes accomplis, de son vivaht, par feu S. A. Fuad Pacha. Je vous remercie, Monsieur, de la part de Madamo Fuad Pacha, ma grand’mère, et en mon nom personnel, de ce quo vous avez bien voulu faire, et de ce quo vous ferez encoro pour populariser le nom de mon regretté grand-père. Je vous souhaite un bon voyage.”

would rather," said Fuad Pasha, "lose several provinces than see the Sublime Porte abandoned by England." It is said that dying men can see into the future, and, certainly, if we may judge by events, Fuad foresaw the present position of his country. Fuad died at Nice, on the 11th of February, 1869, but he left behind him a Political Testament, addressed to the Sultan, which, while proving his greatness as a statesman, showed also his perfect appreciation of the immobility and bigotry of his countrymen, and foreshadowed the extinction of the Turks in Europe. I consider this document to be one of the most remarkable ever penned by a statesman, and I earnestly recommend it to the thoughtful consideration of English politicians.

FUAD PASHA TO THE SULTAN ABDUL AZIZ.

[*Translation.*]

NICE, Jan. 3, 1869.

SIRE,

I have but a few days, perhaps only a few hours more to live, and I wish to devote them to the accomplishment of a sacred duty. I desire to lay at the feet of your Majesty the expression of my last ideas,—sad ideas, the bitter fruit of a long and anxious career.

When this writing shall be placed under your Majesty's eyes, I shall no longer be of this world. On this occasion, therefore, you may listen to me without mistrust. The voice from the tomb is always sincere.

God has intrusted you with a mission as glorious as it is full of perils. In order to accomplish it worthily, your Majesty must endeavour to fully realise one great and painful truth—*the Empire of the Osmanli is in danger.*

The rapid progress of our neighbours, and the inconceivable faults of our ancestors, have placed us at the present day in an extremoly critical position; and, in order to obviate a terrible catastrophe, your Majesty is bound to break with the past, and to guide your peoplo towards new destinies.

Some ignorant patriots seek to make you believe that with our ancient means, we can re-establish our anciant greatness. A fatal error! an unpardonable illusion! True, if our neighbours remained still in the same state as in the days of our forefathers, our former means might have sufficed to render your Majesty the arbiter of Europa. But, alas! our European neighbours are far from being what they were. For the last two centuries they have all been moving forward, and all havo left us far behind.

Certainly, we also have made progress. Your actual government is much more enlightened, and possesses much greater resources than that of your ancestors. But, unhappily, this relative superiority is far from sufficing for tho requirements of our age. To maintain yourself in Europa at the present day, you require not merely to equal, not merely even to surpass your ancient predecessors, but also to equal and proudly compete with your actual neighbours. To express my thought more clearly, I may say that your Empire is bound, under penalty of death in default, to have as much money as England, as much enlightenment as France, and as many soldiers as Russia. For us, it is no longer a quesion of making *much progress*; it is purely and simply a question of making *as much progress as the other nations of Europe*.

Our magnifificent empire furnishes you amply with all the requisite elements for surpassing any European Power whatever. But to do this, one thing is absolutely necessary. *We must change all our institutions—political and civil.* Many laws, useful in past ages, have become injurious to society as it at present exists. Perfectiblo man needs to labour incessantly at rendering his own works more perfect.

Happily this first law of our nature is in entire conformity with the spirit of the Mussulman religion. For Islamism combines all the true doctrines which have for their essential object

the progress of the world and the perfecting of humanity. Those who would assume, in the name of that religion, to enchain the onward march of our society, far from being Mussulmans, are but insincere unbelievers. All other religions are bound up with dogmas and unchangeable principles which are so many barriers against the progress of the human mind. Islamism alone, free from all the trammels of mysteries and infallible Churches, renders it our sacred duty to advance with the world, to develop all our intellectual faculties to the utmost, and to seek instruction and the light of science, not in Arabia, not amongst Mussulman nations solely, but abroad, in China, to the farthest confines of the globe.

Nor must it be thought that Mussulman science is different from that of foreigners. Not so. Science is one. One and the same sun suffuses the world of intelligence. And as, according to our belief, Islam is the universal expression of all truths and all knowledge, so, therefore, a useful discovery, a new source of information, whencesoever it may have originated, amongst Pagans as amongst Mussulmans, whether at Medina or at Paris, belongs always to Islam.

Thus, nothing prevents us from borrowing the new laws and the new appliances invented by Europe. I have studied our religion sufficiently to discern its true spirit. I have my head still clear enough to weigh the value of my ideas, and, assuredly, it is not at the moment in which I am about to abandon life in order to present myself before the Supreme Judge of the universe, that I would venture to betray my Sovereign, my country, and my creed. I assure you, then, with the most profound conviction, that in all these institutions of which Europe gives us the example, there is nothing, absolutely nothing, contrary to the spirit of our religion. I solemnly declare to you that the safety of Islamism demands that we should adopt at once those great institutions *without which no Power can any longer exist in Europe*. I solemnly declare to you, moreover, that in thus transforming our empire, not only will you do nothing opposed to the holiness of our religion, but, by such action, you will render to all Mussulmans, the most loyal and legitimate, the most praiseworthy, and glorious service

that could have ever entered into the dreams of your most illustrious ancestors.

This great work of our regeneration embraces a multiplicity of questions which it is beyond my strength and the little of life remaining to me to dilate upon. But your Majesty has still at your side the eminent man whose friend and brother I have been.* May God preserve him to you! for he knows better than any one the means of safety for your empire. I have never given your Majesty an advice without having previously satisfied myself that it was approved by his wise judgment, the fruit of his ripe experience. Continue, Sire, I beg of you, to give him your confidence. Accord it to him implicitly; for the confidence of great sovereigns constitutes the strength of great ministers. What I presume to recommend to your Majesty is—never to suffer the priceless talents of this devoted servant to be hampered by ignorant colleagues. Nothing could discourage him more than the necessity of working with men incapable of understanding him.

I must now say a few words with regard to our foreign relations. It is here that the task of our Government becomes truly disheartening. Being unable to contend with our enemies unaided, we are obliged to seek friends and allies abroad. Their various interests, at once jealous and hostile, unjust, and powerful, have placed us in a position which it is impossible to portray. In order to defend the smallest of our rights, we are obliged to exert more strength, skill, and courage, than our ancestors needed to conquer kingdoms.

Amongst our foreign allies you will find ENGLAND always in the first rank. Her policy and her friendship are as firm as her institutions. She has rendered us immense services, and it would be impossible to calculate those which she may render us in the future. Whatever happens, the English people, the most steadfast and the most wonderful in the world, will be the first and last of our allies. *I would rather lose several provinces than see the Sublime Porte abandoned by England.*

FRANCE is an ally that we must manage at all hazards. Not

* The late A'ali Pasha.

only because she can render us the most important services, but because she can give us also most deadly blows. With that chivalrous nation there is more of sentiment than calculation. She takes a pride in glory and great ideas, even with her enemies. Thus the best way to preserve the alliance of this generous people is to keep up with their ideas, and to realise such progress as will strike equally their imagination and their *esprit*. The day on which France will despair of our cause, she will herself bring about combinations hostile to our interest, and will end by causing our destruction.

AUSTRIA, embarrassed by her special European interests, has been obliged up to the present to restrain her rôle in the East. She committed an immense fault during the war in the Crimea. Driven out of Germany, she will, for the future, see more clearly her danger from the North, and certainly that danger is not less perilous for her than it is for our own empire. As long as a firm and far-seeing policy rules at Vienna, Austria will naturally be the ally of the Porte. The great evil, the ever-recurring evil which has troubled the East during more than one century, will only be definitely eradicated by the active alliance of Austria, supported by all our other allies of the West.

As to PRUSSIA, she has been hitherto almost indifferent upon Eastern questions, and it is not at all improbable that in her hasty policy she may even sacrifice us to her own project of German unity. But it is quite certain that, after her unity is achieved, Germany will not be long in perceiving that she also has at least as much interest in the Eastern question as any other European Power whatever. Still, God grant that she may not have purchased the spoils of Austria at the cost of inducing our enemies to irrevocably take possession of our European provinces.

I come at last to RUSSIA, that inveterate enemy of our empire. The extension of that Power towards the East is a fatal law of the Muscovite destiny. If I had been myself a Russian Minister, I would have overturned the world to have conquered Constantinople. You must not therefore be astonished at, nor complain of the aggressive action of Russia. She acts towards us to-day, only under a new form, just as formerly we did ourselves to the

Greeks of the lower empire. To guarantee us against Muscovite invasion, it will be, therefore, childish to rely solely upon our rights; what we want on that side is *force*. Not our old historic force, which we should try in vain to revive, but that new and irresistible force which modern science and ideas have placed in the hands of every European people. Since Peter the Great, Russia has made enormous progress, and soon her railways will double her power. That which alarms me most, however, is that, in Europe, the mass of the populations seems gradually to accustom themselves with resignation to the future encroachments of Russia.

The indifference of England to the events of Central Asia astonishes and alarms me. What alarms me most, however, is the considerable change which the pacification of the Caucasian provinces has brought about in the position of Russia. To me it is beyond doubt, that, in any future events, the most serious attacks of the Russians will be directed against our provinces of Asia Minor. Your Majesty, therefore, should strive unintermittently to organise our forces. Who knows if our allies will always be free to come in time to our aid? A domestic quarrel in Europe, and a Bismarck in Russia, might change the face of the world.

I can conceive of many acts of folly of all Governments; it is even one of their prerogatives to commit them. But I confess I have been unable to fathom the profound wisdom of the Governments which, with such strange indifference, permits the most frightful despotism in the world to put itself at the head of a hundred million barbarians, and arm them with all the appliances of civilisation; to swallow up at every step provinces and kingdoms as large as France; and while it hems in Asia with its arms, and, on the other hand, undermines Europe by the agency of Panslavism, comes forward periodically protesting its love for peace, and its sincere resolution no more to seek for further conquests.

RUSSIA leads me to say a few words also of PERSIA.

The Government of this turbulent country, always swayed by Shiïte fanaticism, has been the ally of our enemies from time immemorial. During the Crimean War, it made common cause

with Russia, and that it did not realise its hostile projects is owing to the vigilance of Western diplomacy. At the present day, the kingdom of the Shah is dependent on the Cabinet of St. Petersburg. So long as the Sublime Porte has her hands free, the Government of the Shah, feeble and ignorant as it is, without credit and without initiative, will never have the courage to seek a quarrel with us. But whenever we become involved with Russia, no matter with what care and consideration we may treat Persia, her political dependence, and, still more, her blind jealousy, will necessarily place her in the category of our bitterest enemies. Fortunately, in addition to our material resources, the Sublime Porte possesses moral means more than sufficient to keep in due respect a country crushed by a barbaric despotism, disputed by various pretenders, and, moreover, surrounded on all sides by Sunnite populations. On this point our interests are affected by many complex questions, which are entirely unappreciated amongst us, and which A'ali Pasha alone can explain to your Majesty.

Let us not forget GREECE--a country insignificant in itself, but an irritating instrument in the hands of a hostile Power. European poets, in improvising this illusion of a kingdom, have thought they would be able to give life to a nation dead for the last two thousand years. In seeking to revive the country of Homer and Aristotle, they have only succeeded in creating a focus of intrigues, of anarchy, and brigandage. The Sublime Porte may find amongst the Greeks some intelligent servants; but the spirit of the Hellenic race will always be essentially hostile to our cause. The recollections of a glorious history, although separated from our Greeks of the present day by centuries of corruption, ignorance, and spuriousness, will yet for a long time foster amongst this selfish race the hope of juggling once again into existence the Empire of the East, which it formerly so degraded into the Byzantine Empire, or the *Low* Empire, as it was so well termed. What guarantees us most effectually against the attempts of this false and spiteful people is its revolting vanity and exclusiveness, which render it, from day to day, more odious and revolting to all our Oriental races.

Our policy should be to endeavour to isolate the Greeks as

much as possible from our other Christians. It is of paramount importance to withdraw the Bulgarians from the domination of the Greek Church, without, however, throwing it into the arms either of the Russians or of the Roman Clergy.

The Sublime Porte should never tolerate intrigues with a view to a union of the Armenians with the Orthodox Church. It would perhaps be wise to encourage amongst our Christians that philosophic spirit so well calculated to bring men into closer harmony by withdrawing them from clerical influence. But I hasten to add that, for us, the best policy will undeniably be to place the State above all religious questions whatever.

In our internal affairs, all our efforts should tend to one sole object—*the fusion of our various races*. Without such fusion, the maintenance of our empire appears to me an actual impossibility. Henceforward, this great empire can belong neither to the Greeks, nor to the Slaves, to no single religion, nor to any single race. The empire of the East can subsist only by the intimate union of all Easterns.

A powerful Germany; France with its forty millions of inhabitants; England strongly fortified as it is by nature—all these great nationalities may, indeed, for some time longer maintain their powerful and useful individuality. But a Montenegro, a principality of Servia, a kingdom of Armenia, without conferring the slightest advantage either upon themselves or the world, can never be anything further than States more or less chimerical, wretched fragments of former convulsions of humanity, inevitably a prey to any new conqueror, prejudicial to the progress of mankind, and dangerous for the peace of the world.

In the constitutions of modern States the only durable theory is that of great agglomerations. Thus, also, the only means of preventing the ruin of our State is to reconstruct it anew upon a broad and solid basis, embracing all our different elements without distinction of race or religion. Here we begin to encounter a somewhat serious difficulty. Our Christian populations, suddenly relieved from the sway which held them subject, seem too ready to replace their former masters. The Armenians especially have assumed an aggressive character; and it would

be but right to moderate their ardour in opening our public careers only to such as shall have sincerely adopted the unitarian principles of our empire. All our Christian populations have generally two distinct religions; one moral, and the other political. As regards the moral religion, our Government should ignore it completely; but, on the other hand, it should be closely attentive to all that relates to their political religion, for the latter often involves theories incompatible with our existence. In the fact of a Pasha worshipping God according to the law of Moses, or after the manner of the Christians, there is no reason why we should be deprived of the aid of his services. But if this same Pasha, oblivious of the unity of our country, indulge in dreams of a Byzantine empire, or aspire to serve a kingdom of Cilicia, then he ceases to be a faithful servant, and should be removed.

Unity of the State and of the country, based upon the equality of all—such is the sole dogma which I would wish to see exacted from all our public functionaries.

To elicit fully the marvels of this fruitful principle, your Majesty should apply yourself, in the first instance, to the organisation of the *administration of justice*. The task is difficult, but it is urgent and indispensable. After having legally guaranteed the lives and property of all citizens, the foremost measure which your Government should consider as an imperious duty is the *construction of our roads*. The day on which we shall have as many railways as European nations, your Majesty will be at the head of the first empire in the world.

There is, however, another question which is for us of inexpressible importance—that of *Public Instruction*, the sole basis of all social progress, the perennial source of every moral and material greatness. Army, navy, administration are all involved in that. Without that essential basis, I foresee for us neither strength nor independence—neither government nor a future. Notwithstanding the eminently instructive spirit of our religion, education has remained very backward with us for a multiplicity of reasons. Our innumerable medressés, and the copious resources which are consumed by them so uselessly, supply us with the material ready to our hands for a grand

system of national education. If I have myself failed to carry this fine thought into effect, it is because I have been diverted from it by a concurrence of most unfortunate circumstances. I bequeath the measure to my successors: they could not possibly conceive of any which would prove more fruitful or more glorious.

I know that tho greater part of our Mussulmans will curse me as a *ghiaour* and an enemy to our religion. I forgive their anger, for they can understand neither my sentiments nor my language. Thoy will ono day come to know that I, a *ghiaour*, an "impious innovator," havo beon much more religious, much more truly a Mussulman, than the ignorant zealots who have covered me with their maledictions. They will recognize, but unhappily too late, that I have striven more than any other martyr to save the religion and the empire which they would have led to an inevitable ruin.

The first law of every institution, human or divine, is the law of self-preservation. And, in all our reforms, what have I sought but the preservation of Islam? Only that, instead of seeking it in blind submission to ancient prejudices, I have endeavoured to find it in those luminous paths which the God himself of Islam has traced before us, as he has traced them before all the nations of the earth.

My weak and trembling hand refuses to proceed further. In concluding these lines, I beg your Majesty will deign to give your attention to the dying words of a faithful servant, who, in the midst of human weakness, always loved his fellow-men, laboured constantly to accomplish all the good in his power, and who, now, broken under the weight of his responsibilities, quits the world without regret, and dies a resigned Mussulman, delivering up his soul to the Supreme Judge, who is at once compassionate and merciful.

Fuad Pasha, as a Turkish patriot, naturally desired the integrity of the Ottoman Empire. This, however, was a fatal error, for he was striving after the impossible. The fusion of races, which he so much

desired, is, and will always be, impracticable. The religious sentiments of the people are a bar to any assimilation in feeling or in thought, and the antagonism which has existed for upwards of four hundred years, will never be eradicated. Turkey obtained possession of her European provinces by the sword, but, powerful to destroy, she has ever been powerless to construct. The social, religious, and political separatism which the dominant section of her population carried with them from the cradle of their power in Asia, remains as rigorously complete in the days of Sultan Abdul Aziz as in those of Amurath I.; and the absolute infusibility of her various races shuts Turkey out from those influences which might otherwise have raised her to a position of greatness, usefulness, and honour. That hope, however, if it at any time existed, has completely vanished. The Mussulman element is fast dying out in Europe, and everywhere—in Thessaly, Macedonia, and Roumelia—the Christian element is struggling for predominance. Servia, Montenegro, and Roumania are conspiring to throw off the suzerainty of the Porte, and await but the signal to assert their freedom.

Fuad Pasha placed his reliance for support on France and England. But when he said that “the day on which France will despair of our cause, she will bring about combinations hostile to our interest, and will end by causing our destruction,” he forecast

the future. France does despair of Turkey, and, moreover, she has other and more important personal interests to serve, in which the "Integrity of Turkey" bears no part. Fuad said he "would rather lose several provinces than see the Sublime Porte abandoned by England;" but the mal-administration of the past three years has disgusted the friends of Turkey in England, and public opinion is so strong upon this point, that no English Government could now venture to increase our public burdens by an attempt to keep the Turks in Constantinople. The sway of Turkey in Europe is, therefore, doomed. "The combination of circumstances," says an able writer in *Fraser's Magazine* for June 1874, "is such that Russia could hardly have a better chance, and we are persuaded that the world may not have long to wait for the demonstration that he knows this full well. It will be a good thing for Turkey, and no harm to the world, when the long meditated conquest is completed."

CHAPTER III.

Financial Position of Turkey—Rapid increase of Turkish Debt—Necessity of further Loans—Present amount of the Foreign Debt—Assets—Interest on the Public Debt—Revenues—Incapacity of Turkish Ministers—Imminent Bankruptcy of the Government—Future of Turkey.

THAT it will be “no harm to the world” when the Turks quit Constantinople may be very obvious, but that it will be “a good thing for Turkey” may not be quite so apparent to those who have not closely studied the question. Yet, paradoxical as it may seem, it is an undoubted fact; and the day on which the Crescent is removed from the minarets of Saint Sophia, will mark the date of the regeneration of Turkey. Eighteen years’ personal knowledge of Turkey and the Turks have led me to this conclusion. While Fuad and A’ali lived, there was hope that the integrity of the empire might be maintained; now, there is none.

The Sultan is an absentee from his native land. In Asia, he possesses an estate, perhaps the finest in the world; but, like other absentees, he has neglected it, and lived riotously and extravagantly in Europe.

His people have been impoverished by the most grinding tyranny, and, in a land which might be the most productive in the universe, some thousands of human beings are perishing from starvation. Every piastre having been extracted from the peasants, the Saraff* came to their assistance, so as to enable them to cultivate the soil ; but the rates of interest were so usurious, that, between the money-lender and the tax-gatherer, the produce of the land entirely disappeared, and the peasant-farmers of Asiatic Turkey spent, and still spend, their lives in enriching the Saraff and the Ushurdjee.† The amount actually remitted to Constantinople being totally insufficient to meet the extravagant requirements of the Sultan, His Majesty has been obliged to borrow money and mortgage his estates. But the facility with which he obtained these loans has been his ruin, for it has led him deeper into extravagance and fine living. He has been, and is, in fact, altogether in a false position. He was once a great personage, and called himself “the King of Kings of the world, the Prince of Emperors of every age, the Dispenser of Crowns to Monarchs ;” but, unfortunately, while he has been getting poorer every day, his neighbours have been getting richer, and those who, formerly, were his inferiors, now look down upon and despise him. “The rapid progress of our neighbours,” said Fuad Pashia, “and the inconceivable faults of our

* Saraff, a native banker. † Ushurdjee, Tax-farmer.

ancestors, have placed us at the present day in an extremely critical position ; and, in order to obviate a terrible catastrophe, your Majesty is bound to break with the past and guide your people towards new destinies." But the Sultan did not follow this advice; on the contrary, for the past three years he has been living more extravagantly than ever. In 1862, his income was 11,000,000*l.*, whereas, last year, owing to fresh squeezing of his miserable people, he obtained 18,000,000*l.*; yet this income has been considerably exceeded, and, notwithstanding a loan of 22,222,220*l.* in 1869; of 5,700,000*l.* in 1871; of 11,126,200*l.* in 1872, and 10,000,000*l.* in 1873, he now wants 40,000,000*l.* more. His local creditors have become troublesome, and, to pay them, he gives his promissory-notes at long dates to the ghiaours, who again help him, lest he should suddenly become a bankrupt on their hands.

The Sublime Porte is like the merchant who, imposing on the credulity of a good-natured banker, obtained advances which in time exceeded the securities. The banker, believing in the good faith and honest intentions of his client, unsuspectingly continued the advances. Acceptances falling due were retired by the proceeds of fresh paper; but the facilities of borrowing, far from making the merchant more cautious and economical, only increased his recklessness and extravagance, until, at length, the too-confiding banker woke up one morning to find

that his debtor was a spendthrift and a rogue. For a short time, the banker continued to make further advances, in the hope of getting back his money, but, finding that hope futile, he considered it useless to throw good money after bad, and closed the account. The banker lost his money, the merchant went into the Bankruptcy Court. So it is with the Porte. As long as Foreign capitalists continue to make fresh advances, the interest and sinking funds will be paid. As soon as these advances cease, the Porte will stop payment. I know many Turkish bondholders who bought Turkish stock at high prices, and are now unwilling to sell on account of the loss which sales would entail. They hold on in hope that something will "turn up," and they may get back their money. But I fear they will be like the too credulous banker; they will wait until the crash comes, and principal and interest will go together.

If we examine the present amount of Turkish indebtedness we will see that the result can scarcely be otherwise. The amount is as follows :

	ISSUE.	UNREDEEMED.
	£	£
6 % 1854 . . .	3,000,000	1,987,400
4 % 1855 . . .	5,000,000	3,908,000
6 % 1858 . . .	5,000,000	3,836,000
6 % 1860 . . .	2,070,000	1,000,000
6% 1862 . . .	8,000,000	5,403,400
Carried forward	23,070,000	16,134,800

	ISSUE.	UNREDEEMED.
	£	£
Brought forward	23,070,000	16,184,800
6 % 1863 . . .	8,000,000	5,641,000
6 % 1865 . . .	6,000,000	4,415,900
5 % 1865 . . .	36,363,636	35,636,000
:(General Debt)		
6 % 1869 . . .	22,222,220	21,098,000
6 % 1871 . . .	5,700,000	5,518,540
9 % 1872 . . .	11,126,200	11,126,200
(Treasury Bonds)		
6 % 1873 . . .	10,000,000	10,000,000
5 % 1874 . . .	40,000,000	40,000,000
(General Debt)		
Total . . .	162,482,056	149,570,440

It will be seen that of the above 162,482,056*l.* -the sum of 37,070,000*l.* was borrowed in the eleven years from 1854 to 1865 (the five per cent. Consolidés were simply the conversion of the Home Debt), whereas 89,048,420*l.* have been borrowed during the past *five years*, from 1869 to 1874, and a new Loan has been effected every year since the death of A'ali Pasha. On the credit side, there is nothing whatever to show except a few iron-clads, which, in Summer, are moored opposite the Sultan's palace at Dolma-Baghtché, and elate his Majesty by firing salutes as he goes to Mosque on Fridays. An amusing incident occurred the other day which shows the usefulness of these iron-clads. During the Summer, as I have said, they are moored opposite the Sultan's palace, from the windows of which His Majesty contemplates their greatness, and the supposed source

of his imaginary power. In Winter, they go into comfortable quarters inside the bridge of the Golden Horn. On Monday, November 23rd, the Turkish mechanics in charge of the engines of the *Mahmoudieh* (the English engineers having been dismissed) narrowly escaped being boiled. It was necessary to get the ship under way in order that she might proceed to her winter quarters inside the bridge, but, after several fruitless efforts to get the engines to move, the mechanics in charge, growing impatient, began to try the virtues of some of the cocks whose uses they had had no previous opportunity of exploring. One of these took the reconnoitring artisans considerably by surprise, answering their researches with a jet of steam which quickly filled the engine-room and scalded their hands and faces somewhat severely. Signals were at once hoisted for the assistance of English engineers from the Arsenal, and it was not until their arrival that the engines could be made to revolve. Two of the Imperial Princes were on board, and, it is said, inquired what was amiss in the engine-room, and who was to blame. No one knew precisely what was amiss, except that the engine wouldn't turn round, and that the mechanics had parboiled themselves in their endeavours to make it do so.

Turkey owes its foreign creditors one hundred and fifty millions sterling, and, considering that a sum of fifteen millions is required for interest

and sinking funds on this debt, it is self-evident the Porte cannot pay out of revenue, and that without fresh loans, which in the present state of public opinion would be impossible, Turkey must inevitably stop payment. To those who hoped, as I have, for the regeneration of Turkey, it is melancholy to think that a country so rich in natural wealth should be now on the brink of ruin from the administrative incapacity of its rulers. So great, in fact, is the system of fiscal mismanagement, that the principal sources of revenue, such as the tithe, customs' duties and sheep tax, do not yield fifty per cent. of the amount they might otherwise produce; while the revenue derived from mines is so trifling, that the royalty from the working of one or two copper-mines in England yields a larger annual income to the proprietor of the soil than that which the Ottoman Government derives from the whole of its vast mineral treasure.

No matter how we may look at the financial position of Turkey, that position appears to be utterly hopeless. The entire income of the State, according to the Budget issued by the Porte itself, is under 18,000,000*l.*, of which the Sultan takes 2,000,000*l.* The interest and redemption funds due annually on the public debt amount to 15,000,000*l.* The entire revenues of the Empire are, therefore, due to its foreign creditors. If the Government cannot make more loans in Europe, then Turkey must become

bankrupt. If new loans are effected, the final crash may be postponed, but that crash will be only more ruinous and complete. It is well known that no past or present Turkish minister holds Turkish stock. That fact alone is significant.

As few persons appear to have any clear or definite idea of the annual amount required for interest and redemption funds on the public debt of Turkey, I was very anxious to obtain some positive information which would finally settle the question. With this view, I applied to the Imperial Ottoman Bank, naturally believing that establishment could furnish the exact figures; but the bank replied :—"We have no sufficiently reliable data from which we can give you the information you require." I then addressed the agents of the *Crédit Général Ottoman*, but they had "not the necessary materials to give the information." As a *dernier ressort*, I wrote to the Council of Foreign Bondholders, but the secretary replied :—" You have much more conversance than we have with the sources of statistics in Turkey." Failing to obtain the desired information from head-quarters, I worked out the calculations very carefully, and found the amount to be, as stated, 15,000,000*l.*, in round numbers, per annum. It will, of course, be obvious that, in the improbable event of the redemption funds being punctually forthcoming and the bonds withdrawn, this annual sum will be gradually lessened.*

* Since the above has been in type, I have seen the *Levant*

Some holders of Turkish bonds are simple enough to believe that they have special security for their own particular stock; such as the customs of Constantinople, the sheep-tax of Roumelia, or the tithes of Anatolia. This idea, however, is altogether fallacious. It is true, when the loans were issued, special revenues were hypothecated, on paper, to meet interest and sinking funds; but they have never been so applied. The revenues nominally hypothecated, on the prospectus, are collected and received by the

Herald of November 25th, and find that journal, which ought to be, and I believe is, an authority on Turkish finance, confirms my statement. The *Levant Herald* says:--“The interest on the debt amounts in round numbers to fifteen millions. We have not statistics to ascertain how much of this interest is paid in the country, but let us take the large over-estimate of five millions. That leaves ten millions of gold to be sent abroad every year. The foreign trade of the country shows an excess of imports over exports, but, to simplify our statement of the case, let it be assumed that the exports balance the imports. Then there is ten millions to be sent every year out of the country in money. How is it that this export of gold has not drained the country of circulating medium and brought about a monetary and commercial collapse long ago? The answer is, because there has been a new loan almost every year. Supposing the government to succeed in balancing its income and expenditure, so as to obviate the necessity of further loans, what would the situation be? Why, in two years the country would be drained of specie, and there would be a monetary crisis which would bring trade to a complete deadlock. Thus the situation may be summarised as follows: If the government continue to make loans in Europe, the government will become bankrupt. If the government cease to make loans, the commerce of the country will become bankrupt. This is the dilemma.”

government in the usual way, and form part of the general revenues of the empire. The loans of 1858, 1862, 1863, 1865, and 1869, are no more specially secured than the general debt of 1865, or the loan of 40,000,000*l.* now being issued. Anyone, moreover, can see for himself the rapid decline of Turkish credit, by examining the decreasing prices at which the various loans were issued. The loan of 1855 was issued at 102*½*, but that was exceptional, being guaranteed by England and France. The issue and present prices of the other loans, with the so-called special securities alluded to, are as follow :—

—	ISSUE PRICE.	PRESENT PRICE.
6 % 1858	85	66
6 % 1863	72	67
6 % 1865	65 <i>½</i>	67 <i>½</i>
6 % 1869	60 <i>½</i>	53 <i>¾</i>
6 %. 1873	58 <i>½</i>	51 <i>½</i>

The 6 % loans of 1854 and 1871 are secured on the Egyptian Tribute, and are, therefore, the only Turkish loans that have any real security whatever. But this security would vanish in the event of political complications in Turkey.

Four years ago, the official reports of our Consuls in Turkey were full of hope for the future of the empire ; now, they predict only bankruptcy and decay. Mr. Consul Palgrave, who probably knows Turkey as well, if not better, than any man living,

says :—“ Capital has vanished from the land ; every undertaking, commercial, industrial, or agricultural, is smitten with failure ; the social condition is deteriorating in every respect ; the number of the inhabitants diminishing ; and the symptoms pre-cursive of a general bankruptcy, not of means and finances only, but of vitality and of men, become more menacing year by year, almost day by day.” The *Levant Herald*, whose sources of information are admittedly reliable, has also become despairing in its tone, and thus sums up the melancholy position of the country, even after the last loan of 40,000,000*l.* :— “ There is no capital in the country, consequently no enterprise, no spread of ideas, no real national vitality. The whole empire lives from hand to mouth, and, sad to say, the administration too often comes between hand and mouth, and the bread of next year has to be eaten to-day at a terrible sacrifice. Continue the present system, and it is impossible to predict how soon there may be a general and hopeless collapse.”

Mr. Locock, Attaché to the British Embassy at Constantinople, in a recent report to our Foreign Office, alludes to the present position of Turkish trade, and shows that where trade flourishes, it is under other than the direct control of the officials of the Porte. In comparatively recent times, for instance, the Danube trade was extremely insignificant ; merchants were hampered by all kinds of plundering and exactions. So ruinous were the charges to

which vessels were subject that "it was not at all a rare occurrence to see a vessel of one hundred and fifty to three hundred tons mulcted to the extent of more than half of the total amount of freight she was to earn for carrying her cargo all the way to England, before she got clear of the Danube."¹ But the rise of Roumania into a position of semi-independence and the appointment of the European Commission have changed all this, and, if suitable warehouses were erected near the mouth of the river, so that lighters could bring down cargo and store it for the convenience of larger vessels, and were the European Commission, which has done so much, able also to restrain the vagaries of the Turkish Custom-house, the troubles of the Danube trade would be almost at an end. Half the total tonnage of the Danube trade was British in 1871, as against hardly a twelfth in 1847. The trade of the southern shores of the Black Sea, on the other hand, is almost devoid of the English element. Two-thirds of the imports into those Asiatic provinces consist, as a rule, of British goods, and yet no English house is directly engaged in business in any town along the Turkish coast. And here, where the native element is supreme, and where native officials rule unchecked, trade languishes, has difficulty in holding up its head in any shape against the active competition which Russia is setting up at its artificial port of Poti. Trebizond was of old the centre of a great

Persian trade, but, as Mr. Palgrave points out in his report, Russia is effectually diverting that trade to its own route, and Trebizond is sinking into insignificance. Turkey loads the trade with vexatious exactions, amounting to about eight per cent., neglects to make roads, or, when they have been made, suffers them to relapse into decay, so that goods will not bear the cost of the extra charges when placed in competition with those brought through Russian territory free of duty, and partly by rail or other cheap carriage. Turkey thus loses permanently one means of enriching her population while striving to get temporary gain by ruinous taxes. While the towns on the Turkish seaboard are without Custom-houses, harbours, wharves, or landing-places, and the territory inland without roads or housing for travellers, and while all trade is loaded by a grinding taxation, it is little likely that British enterprise will seek to interfere. As with the Black Sea coast, so with Asia Minor, the Levant, and the Greek Archipelago. Smyrna, the great trade centre, suffers from precisely the same misrule, notwithstanding that in the aggregate it has greatly increased its business, and that half of it is still in English hands; but the foreign merchants complain that trade is "as a rule carried on at a loss." The fact appears to be, however, that here the native merchants are driving out the foreign, and, if the list of grievances made out by the Consul be looked at, it

is no wonder. Among these the more prominent are absence of justice, exorbitant quay rates, high portage charges, of which three-fourths go to the Custom-house, presents, duties on empty sacks, heavy losses due to total want of accommodation, want of proper roads, and agriculture generally left utterly without Government help or protection. These are but a few of the evils complained of, the merchants themselves having a list which is almost as formidable, but which may be summed up in "the mal-administration of justice which lies at the root of all the other evils." In the mixed commercial court a favourable sentence is unobtainable by foreigners, except in extreme cases, and then the chances are that the execution is delayed for months, and even years. No foreign merchant can extend his operations with safety beyond the city walls. The demands of tax-gatherers and farmers are incessant and ever increasing. All attempts at improvement by Europeans are obstructed by the Imperial power. It is no wonder if, under burdens like these, Englishmen think it best to quit the country. Nor is the picture much better from the other provinces of the empire directly ruled from Constantinople. European Turkey is equally without enterprise, and trade there is equally subject to capricious exaction. Something is done here and there, railways are built, and much is hoped for from them, but while the Administration continues corrupt and supine these hopes can not be very sanguine.

"There are many and serious evils, Mr. Locock well says, "affecting not only British merchants, but, one way or another, all British residents in this country. It may be easy to enumerate the remedies, but it is utterly impossible to apply them."*

There is a way by which the financial position of Turkey might be retrieved, but I fear there is not sufficient patriotism in the country to ensure its being adopted. Formerly, the Sultan's Treasury was always well filled. The means were simple and easy of execution. Pashas were sent ~~as~~ governors of provinces with unlimited power to oppress and plunder the Christian subjects of the empire. The governor went on plundering until it was known at head-quarters that he had amassed a considerable sum, when the Sultan sent one of his Capidji-Bashis with a Firman and the bowstring. If the Pasha was fortunate enough to get timely warning, he generally anticipated the Capidji-Bashi, and the latter never again beheld the blue waters of the Bosphorus. If the Imperial messenger, however, once obtained entrance into the provincial council, the matter was settled. The Pasha kissed the Firman, said "God is great," bowed his head to the bowstring, and there was an end of him. His treasure was quietly carried off to Stamboul. Since the Sultan made the acquaintance of the foreign

* See the summary of Mr. Locock's report, in *The Times* of December 7th, 1874.

Christian, the Pashas have been allowed to plunder on their own account—the promise of a ten per cent. dividend being found a sufficient lure for the Western ghiaour. The eyes of the victim are, however, at length opened, and this mode of filling the Treasury is closed. His Majesty must return to the old system, and say to his Ministers and Pashas :—“ Disgorge your ill-gotten wealth, or—the bowstring ! ”

Failing this, then the only hope left, the only chance of safety for the Sultan, is to sell his property in Europe. It is not the slightest use to him, for its possession only induces expenses he cannot afford. He is, besides, living in a position to which neither his birth, education, nor religion, entitle him. His friends have given him up in despair, and enemies surround him on all sides, who will ultimately push him from the throne of Constantine. To-day, he could retire with honour and credit, as there are purchasers ready to pay a price that would probably enable him to pay his debts. Indeed, so anxious are these parties to get rid of his society that they would, perhaps, pay even more than the property is intrinsically worth. If, however, he still persists in his absenteeism, he will find himself like the Irish absentees in the Encumbered Estates Court. His European property will be sold in lots to the highest bidders, and these will be the Kaiser and the Czar. They are too respectable Autocrats to think of taking the property for nothing, but as their estates border upon those of

the Sultan, and would fit in so nicely, there is no knowing what they may be tempted to do if they are kept very long waiting. The new German Kaiser, besides, having got suddenly rich, finds the climate of Berlin too cold for him, and is, it is said, desirous of purchasing a nice little place further south—somewhere on the Lower Danube, near his relative Prince Charles, or on one of those sunny islands in the Archipelago. And why should he not do so.

If all were free,

Who would not, like the swallow, flit, and find
What season suited him? In summer heats
Wing northward, and, in winter, build his home
In sheltered valleys nearer to the sun.

The German Kaiser has money enough to enable him to gratify his little whims, and his Imperial brothers will no doubt, in this instance, see their way to oblige him. Thus it will be apparent that the Padishah is really in the way, and the sooner—for many reasons, but particularly for financial reasons—he returns to his native land, the better for his neighbours and himself.

* In Asia, on the contrary, the Padishah would be at home on his ancestral soil, amidst his own people, and his own co-religionists. He would possess a domain consisting of six hundred and seventy-three thousand, seven hundred and fifty-six square miles of the finest land in the entire universe, and, instead of being an abject dependant, as at present, he would, in time,

become the most powerful Prince in the East, and the richest Monarch in the world. From all antiquity, this land has been famed for its richness and fertility, yet, for centuries, it has been lying untouched and fallow. It possesses harbours on three seas, and mighty rivers which, when cleared from the snags and sandbanks that now render them useless for transport, would float down such wealth of produce to the coasts as would enrich the population, the Government, and all concerned in the development of the country's splendid resources. Turkey in Asia is capable of supplying Europe to an almost indefinite extent, not only with those ordinary raw materials which form everywhere the great staples of food and manufacture, but also with those rarer articles of merchandise which can only be abundantly and profitably produced under conditions of special advantages, as regards climate and geographical position. It has been calculated that if only one-half of the surface of Mesopotamia alone were put under cultivation, it would yield grain equal to the produce of the whole of France, and become a cotton-field rivalling India itself. The whole stretch of country between the Syrian coast and the Euphrates is capable of cotton production to an extent hardly conceivable, except to those who are acquainted with the topography of the district. The uncultivated area of Asia Minor, too, is surprisingly large; and when the time shall come in which even a moderate percentage

of her soil shall be brought under produce, Turkey in Asia will hold an enviable position in the hierarchy of nations. There is probably no country in the world possessing the raw material of national greatness in such abundance as the Ottoman possessions in Asia. Fuel and iron she has in common with every industrial centre of the West. She possesses also the facility of producing the various substances to be woven into the cloths of commerce; and forming the connecting link between two continents, with ports both in Eastern and Western waters, her natural advantages are overwhelmingly great. Mines of coal, iron, copper, lead, and silver abound, forming so many reserves of mineral treasure, nothing being wanted but steam, skill, and capital to make their hidden wealth available. No country can be *really* poor, when coal and iron are numbered with its minerals; no country can be divested of international importance, the soil of which is capable of ministering to the prime necessities of the human race; and that country cannot be deprived of commercial rank, which possesses the seaboard enjoyed by Asiatic Turkey. Nevertheless, with all its natural advantages, this splendid country is, probably, the most wretched and the most impoverished in the world.

The reason is obvious; the owner is an absentee! The remedy is equally apparent; let the prodigal return. At the present moment, he is wasting his patrimony amongst strangers who love him not, and

MENE, MENE, TEKEL, UPHARSIN, is written on the wall. Let him, then, return before it is too late. The fatted calf will be killed, and he may make his people happy and contented, his country prosperous and free. The lessons he has learned in a foreign land will be useful to him, for they will have taught him to throw down for ever the wall of exclusiveness which has been sedulously raised; to invite the enterprise and capital of other nations to settle on the soil, and develop its products; to inaugurate a policy of freedom for industrial pursuits, and make the law, from the Persian Gulf to the Mediterranean, effective for the protection of the stranger that is within his gates. Then will revive the ancient grandeur of the Khalifs. The traffic between India and Europe, so long carried on round the Cape of Good Hope, will return to its ancient and more direct course. The Tigris and the Euphrates will again water cities equal to the Nineveh and Babylon that once stood upon their banks. A new Tadmor will rival the former glories of Palmyra. The Orontes will carry treasures to a restored Antioch, the "Star of the East." Smyrna will once more become the "Gem of Asia," and the maritime cities of Syria will restore the splendours of Sidon and of Tyre.

